

# ARPEL upper management report on climate change

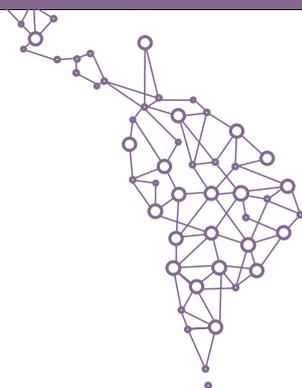
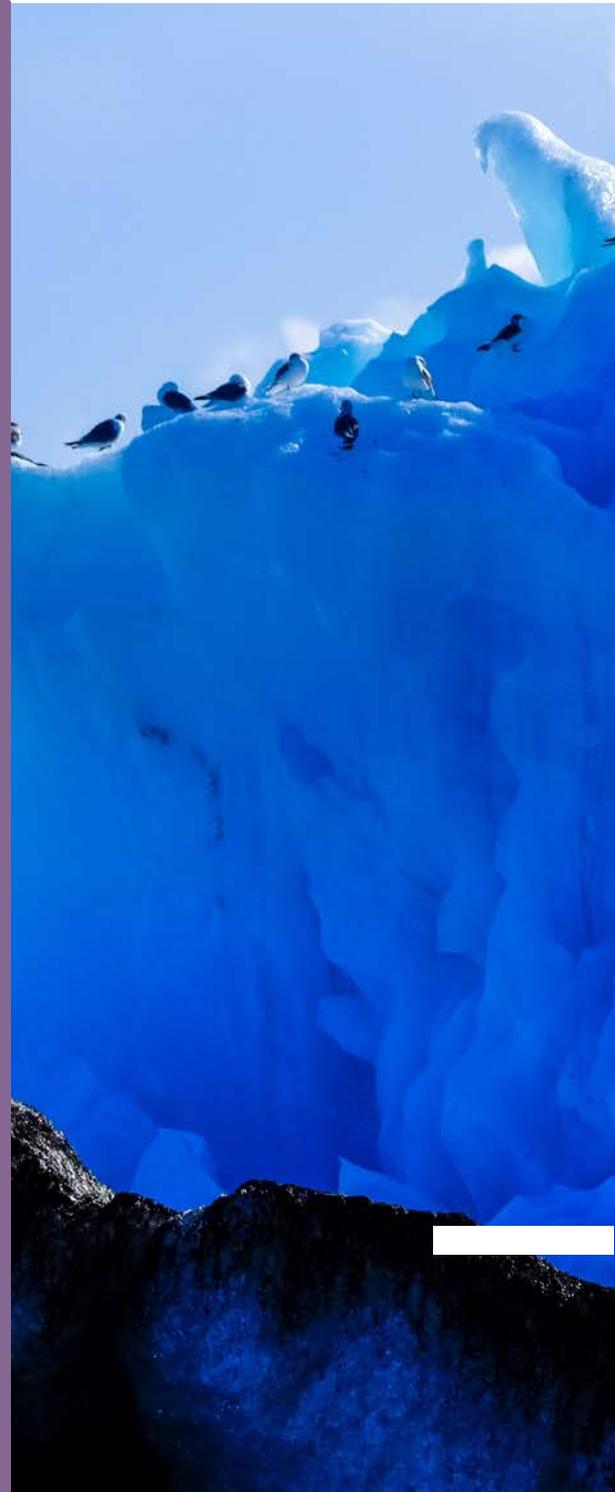
25<sup>a</sup> CONFERENCE OF THE PARTIES  
COP 25

UNITED NATIONS FRAMEWORK  
CONVENTION ON CLIMATE CHANGE  
UNFCCC

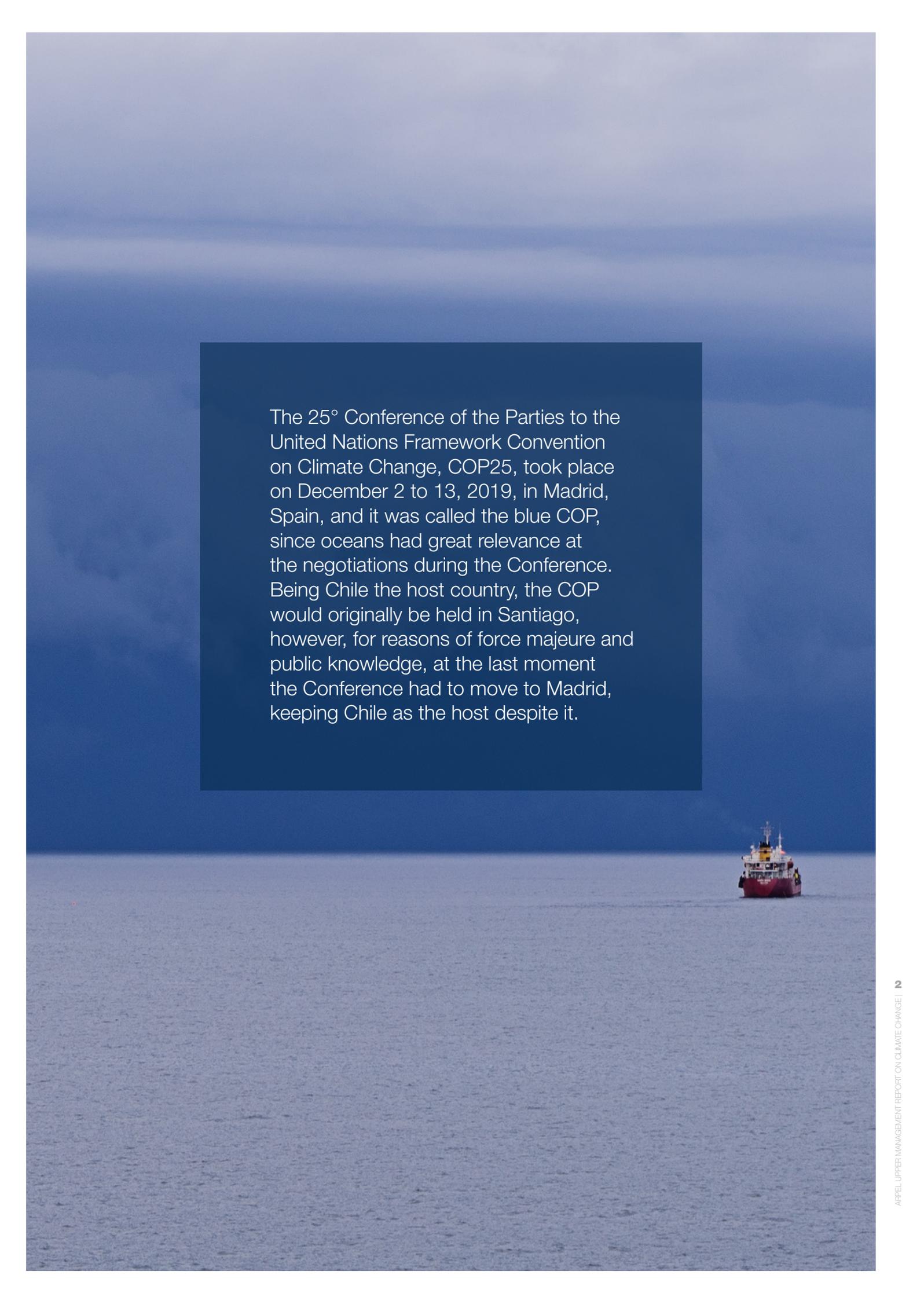
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The 25° Conference of the Parties to the United Nations Framework Convention on Climate Change, COP25, took place on December 2 to 13, 2019, in Madrid, Spain, and it was called the blue COP, since oceans had great relevance at the negotiations during the Conference. Being Chile the host country, the COP would originally be held in Santiago, however, for reasons of force majeure and public knowledge, at the last moment the Conference had to move to Madrid, keeping Chile as the host despite it.

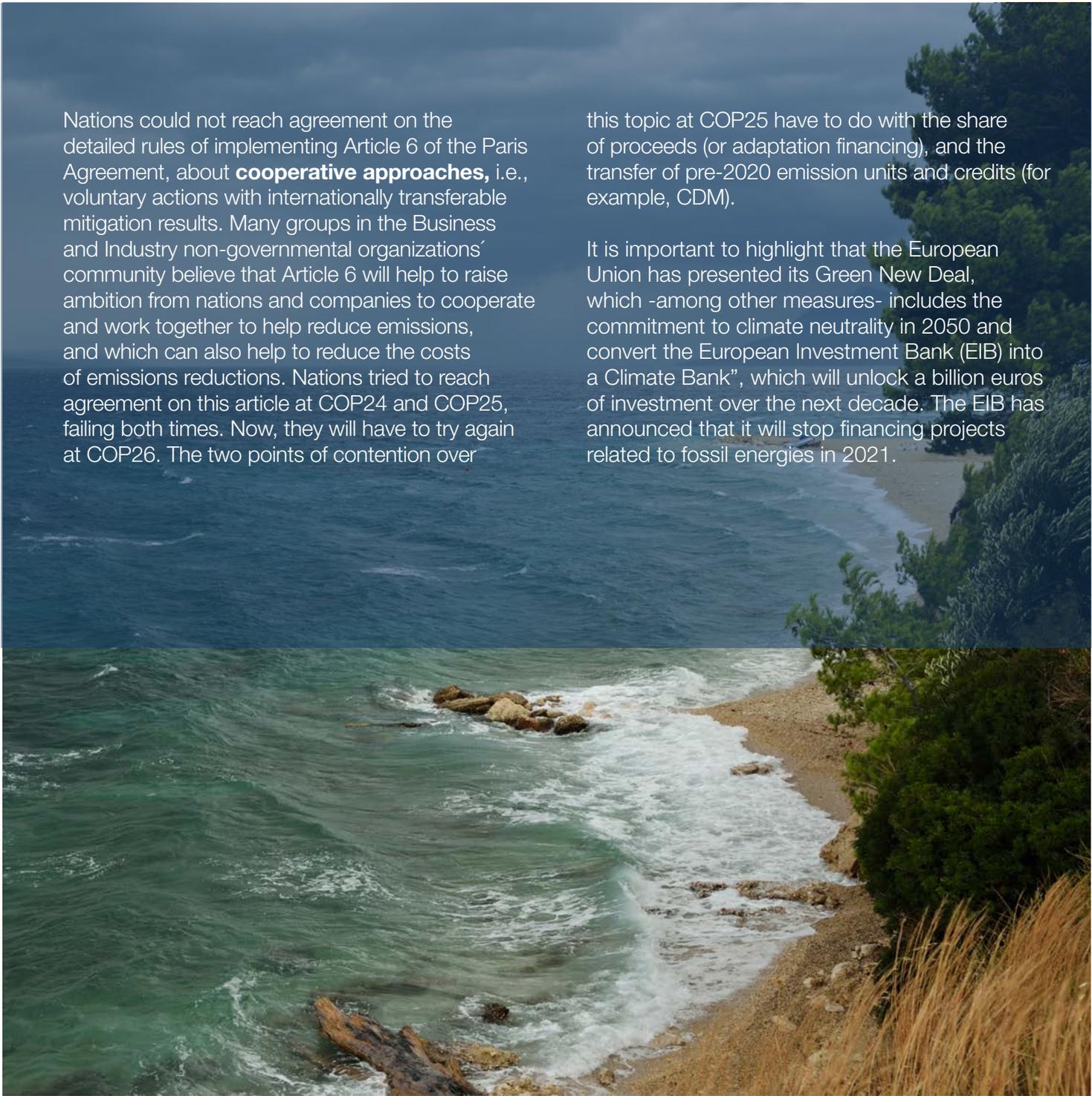
It was a central point of the meeting that the signatory countries of the Paris Agreement finish its rulebook, specifically loss and damage provision and the terms of Article 6.

Nations continued to agree to -and appreciate- the work of the Climate Technology Center and Network (CTCN) and the Technology Executive Committee. These are the two parts of the UNFCCC **Technology Mechanism**, first established at COP16 Cancun. Their work is intended to assist the development and transfer of both emissions control technologies and climate change adaptation technologies to the developing world. Developing nations continue to state, at the COP25 negotiations, that more technologies need to be deployed, and they continue requesting more financial

resources to help with this deployment, in the framework of the shared -but differentiated- responsibility of the countries, regarding both the socio-economic progress achieved and expected, and the conservation of the environment.

In spite of the previously agreed commitment of the developed nations to mobilize \$100 billion per year by 2020, at COP25 nations could not reach an agreement to reiterate it. Negotiations on this topic will have to take place again at COP26 (Glasgow, Scotland, postponed to 2021 given the COVID-19 pandemic). Groups of developing nations expressed strong disappointment and stated that many of their 'nationally determined contributions' would not be achievable without these **financial resources**.





Nations could not reach agreement on the detailed rules of implementing Article 6 of the Paris Agreement, about **cooperative approaches**, i.e., voluntary actions with internationally transferable mitigation results. Many groups in the Business and Industry non-governmental organizations' community believe that Article 6 will help to raise ambition from nations and companies to cooperate and work together to help reduce emissions, and which can also help to reduce the costs of emissions reductions. Nations tried to reach agreement on this article at COP24 and COP25, failing both times. Now, they will have to try again at COP26. The two points of contention over

this topic at COP25 have to do with the share of proceeds (or adaptation financing), and the transfer of pre-2020 emission units and credits (for example, CDM).

It is important to highlight that the European Union has presented its Green New Deal, which -among other measures- includes the commitment to climate neutrality in 2050 and convert the European Investment Bank (EIB) into a Climate Bank", which will unlock a billion euros of investment over the next decade. The EIB has announced that it will stop financing projects related to fossil energies in 2021.

Concluding, the upcoming COP (COP26) will have relevant challenges regarding the implementation of Article 6 and the financing gap reduction required to achieve the goals of the Paris Agreement.

This report was developed by  
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REGIONAL ASSOCIATION OF  
OIL, GAS AND BIOFUELS SECTOR COMPANIES  
IN LATIN AMERICA AND THE CARIBBEAN

ARPEL is a non-profit association gathering oil, gas and biofuels sector companies and institutions in Latin America and the Caribbean. Founded in 1965 as a vehicle of cooperation and reciprocal assistance among sector companies, its main purpose is to actively contribute to industry integration and competitive growth, and to sustainable energy development in the region. Its membership currently represents a high percentage of the upstream and downstream activities in Latin America and the Caribbean and includes national and international operating companies, providers of technology, goods and services for the value chain, and national and international sector institutions.



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